

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

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MEMORANDUM

TO: Revere Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 14, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on November 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.60% to 7.40%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

JEC/jrl

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**Revere Retirement System
January 1, 2017 Actuarial Valuation**

Total Appropriation Increases 5.0% each year until FY32 with final amortization payment in FY33

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Pension Deferral</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Total Cost Increase</u>
2018	3,446,240	120,000	8,293,300	303,775	133,001	65,981	12,362,297	112,352,340	
2019	3,601,321	120,000	8,756,334	303,775	133,001	65,981	12,980,412	111,438,941	5.00%
2020	3,763,380	120,000	9,547,070		133,001	65,981	13,629,432	109,972,206	5.00%
2021	3,932,732	120,000	10,258,172				14,310,904	107,886,088	5.00%
2022	4,109,705	120,000	10,796,744				15,026,449	105,108,360	5.00%
2023	4,294,642	120,000	11,363,130				15,777,772	101,560,093	5.00%
2024	4,487,901	120,000	11,958,759				16,566,660	97,155,089	5.00%
2025	4,689,857	120,000	12,585,137				17,394,993	91,799,271	5.00%
2026	4,900,900	120,000	13,243,843				18,264,743	85,390,025	5.00%
2027	5,121,441	120,000	13,936,539				19,177,980	77,815,480	5.00%
2028	5,351,905	120,000	14,664,974				20,136,879	68,953,748	5.00%
2029	5,592,741	120,000	15,430,982				21,143,723	58,672,087	5.00%
2030	5,844,415	120,000	16,236,495				22,200,909	46,826,005	5.00%
2031	6,107,413	120,000	17,083,541				23,310,955	33,258,292	5.00%
2032	6,382,247	120,000	17,974,256				24,476,502	17,797,977	5.00%
2033	6,669,448	120,000	265,363				7,054,811	259,198	-71.18%
2034	6,969,573	120,000					7,089,573	0	0.49%

Appropriation payments assumed to be made November 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed administrative expenses of \$610,000.

FY18 amount maintained at level of prior funding schedule.